

Message Text

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E.O. 11652: N/A

TAGS: ETRD, JA

SUBJECT: ANTI-DUMPING PROCEEDINGS: PRELIMINARY ITC REPORT

REF: TOKYO 13079

1. TEXT QUOTED BELOW APPEARED IN ENGLISH LANGUAGE DAILY ASAHI EVENING NEWS SEPTEMBER 25 AFTERNOON EDITION DATELINED WASHINGTON UNDER BYLINE OF HISASHI UJIIE, ASAHI SHINBUN CORRESPONDENT. IT IS MOST EXTENSIVE PUBLIC COMMENTARY ON AUTO ANTIDUMPING CASE THAT HAS YET APPEARED HERE AND THE ONLY INSTANCE WE HAVE SEEN OF IMPLICATION QH POLITICALLY MOTIVATED PRESSURE MIGHT BE BROUGHT UPON TREASURY.

2. BEGIN TEXT QTE WASHINGTON--PEOPLE IN THE AUTO INDUSTRY HERE ARE WONDERING HOW SERIOUSLY THE DEPARTMENT OF THE TREASURY WILL TACKLE THE ALLEGATIONS THAT IMPORTED CARS ARE BEING DUMPED IN THE U.S. THEY FEEL, HOWEVER, THE UNCLASSIFIED

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INVESTIGATION ON THE CHARGES WILL HAVE A PSYCHOLOGICAL

AS WELL AS POLITICAL IMPACT.

THE STATEMENT ISSUED BY THE DEPARTMENT CONCERNING THE START OF THE INVESTIGATION ALSO CONTAINED DOUBT WHERE IMPORTED CARS ARE ACTUALLY HURTING THE LOCAL AUTO INDUSTRY.

IT SAID, FOR INSTANCE, THAT THE INVESTIGATION WILL BE CONDUCTED ON THE APPEAL BY THE UAW AND THAT THE PROBE WILL BE CALLED OFF WHEN IT IS PROVED THAT THE "DU PING" WAS DUE TO A DROP IN THE VALUE OF THE DOLLAR.

HOWEVER, THE POLITICAL IMPACT OF THE INVESTIGATION MUST NOT BE OVERLOOKED.

WITH THE PRESIDENTIAL ELECTION NEARING, PRESIDENT FORD, WHO IS FROM MICHIGAN, MAY APPLY PRESSURE ON THE DEPARTMENT.

THERE IS A WIDE GAP IN OPINION BETWEEN THE UAW AND THE DEPARTMENT ON THE EXTENT OF THE DAMAGE THE AUTO INDUSTRY IS SUFFERING. THIS MEANS THERE IS ROOM FOR A POLITICAL SETTLEMENT ON ASSESSING THE SERIOUSNESS OF THE DAMAGE.

OFFICIALS OF THE NEW YORK BRANCH OF THE JAPAN AUTOMOBILE MANUFACTURERS ASSOCIATION JUST BELIEVE THAT AMERICAN AUTOMAKERS ARE IRRITATED BY THE FACT THAT THE MARKET SHARE OF FOREIGN CARS IN THE U.S. HAS RISEN ABOVE 20 PERCENT.

WHILE CONVINCED THAT THE ALLEGATIONS WOULD BE CLEARED IN THE END, THE JAPANESE OFFICIALS FEEL IT WOULD BE ADVISABLE TO HOLD DOWN CAR EXPORTS TO THE U.S.

THE INVESTIGATION WILL BE CONDUCTED ON ALL CARS IMPORTED FROM EIGHT COUNTRIES INCLUDING JAPAN, WEST GERMANY AND FRANCE TO SEE IF THE CARS ARE BEING SOLD BELOW REASONABLE COSTS AND IF THE CARS ARE DAMAGING THE U.S. AUTO INDUSTRY.

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THE TREASURY DEPARTMENT WOULD NOT HAVE STARTED THE INVESTIGATION IF THE INTERNATIONAL TRADE COMMISSION HAD RULED OUT THE ALLEGATIONS. YHCOMMISSION, HOWEVER, VOTED FOR THE INVESTIGATION BY FOUR TO TWO, INDICATING THAT IT WAS NOT POSITIVELY CONVICTED THAT THE ALLEGATIONS HAD GROUND.

SUPPORTING THE PREMISE IS THAT ONLY THE UNITED AUTO
WORKERS UNION (UAW) OPENLY CRITICIZED
FOREIGN COUNTRIES DURING PUBLIC HEARINGS.

WILLIAM EBERLE, PRESIDENT FORD'S FORMER SPECIAL
TRADE REPRESENTATIVE WHO IS CURRENTLY MANAGING DIRECTOR
OF THE AUTO MANUFACTURERS ASSOCIATION, ASSERTED THAT
THE SHARP INCREASE IN THE NUMBER OF THE UNEMPLOYMENT
RESULTED FROM COMPOUND EFFECTS OF A RECESSION, THE
OIL CRISIS AND THE DELAY IN THE SHIFT ON THE PART OF
AMERICAN AUTO MAKERS FROM COMPACT TO SUBCOMPACT CARS.

IN FACT, HE IMPLIED THAT THE EXTENT OF THE DAMAGE
TO THE AMERICAN AUTO INDUSTRY BY IMPORTED CARS MAY BE
ONE PERCENT OF THE WHOLE.
SHOESMITH

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